

114TH CONGRESS  
1ST SESSION

# H. R. 2524

To amend the Internal Revenue Code of 1986 to increase the limitations for deductible new business expenditures and to consolidate provisions for start-up and organizational expenditures.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2015

Mr. BUCHANAN (for himself, Ms. LINDA T. SÁNCHEZ of California, Mr. BLUMENAUER, Mr. RANGEL, Mr. RENACCI, Mr. KIND, Mr. THOMPSON of California, Mr. TIBERI, Mr. DOLD, Mr. NEAL, Mr. KELLY of Pennsylvania, Mr. REED, and Mr. PASCRELL) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the limitations for deductible new business expenditures and to consolidate provisions for start-up and organizational expenditures.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Support Our Start-  
5       Ups Act”.

1     **SEC. 2. NEW BUSINESS EXPENDITURES.**

2         (a) IN GENERAL.—Subsections (a) and (b) of section  
3     195 of the Internal Revenue Code of 1986 are both  
4     amended by inserting “and organizational” after “start-  
5     up” each place it appears.

6         (b) ORGANIZATIONAL EXPENDITURES.—Subsection  
7     (c) of section 195 of such Code is amended by adding at  
8     the end the following new paragraph:

9             “(3) ORGANIZATIONAL EXPENDITURES.—The  
10     term ‘organizational expenditures’ means any ex-  
11     penditure which—

12                 “(A) is incident to the creation of a cor-  
13     poration or a partnership,

14                 “(B) is chargeable to capital account, and

15                 “(C) is of a character which, if expended  
16     incident to the creation of a corporation or a  
17     partnership having a limited life, would be am-  
18     ortizable over such life.”.

19         (c) DOLLAR AMOUNTS.—Clause (ii) of section  
20     195(b)(1)(A) of such Code is amended—

21                 (1) by striking “\$5,000” and inserting  
22     “\$20,000”, and

23                 (2) by striking “\$50,000” and inserting  
24     “\$120,000”.

1           (d) AMORTIZATION TREATMENT.—Subparagraph (B)  
2 of section 195(b)(1) of such Code, as amended by sub-  
3 section (a), is amended to read as follows:

4                 “(B) the remainder of such start-up and  
5 organizational expenditures shall be charged to  
6 capital account and allowed as an amortization  
7 deduction determined by amortizing such ex-  
8 penditures ratably over the 15-year period be-  
9 ginning with the midpoint of the taxable year in  
10 which the active trade or business begins.”.

11           (e) CONFORMING AMENDMENTS.—

12                 (1) Section 195(b)(1) of such Code is amend-  
13 ed—

14                 (A) by inserting “(or, in the case of a part-  
15 nership, the partnership elects)” after “If a tax-  
16 payer elects”, and

17                 (B) by inserting “(or the partnership, as  
18 the case may be)” after “the taxpayer” in sub-  
19 paragraph (A).

20                 (2) Section 195(b)(2) of such Code is amend-  
21 ed—

22                 (A) by striking “AMORTIZATION PERIOD.—  
23 In any case” and inserting the following: “AM-  
24 ORTIZATION PERIOD.—

25                 “(A) IN GENERAL.—In any case”, and

1                             (B) by adding at the end the following new  
2                             subparagraph:

3                             “(B) SPECIAL PARTNERSHIP RULE.—In  
4                             the case of a partnership, subparagraph (A)  
5                             shall be applied at the partnership level.”.

6                             (3) Section 195(b) of such Code is amended by  
7                             striking paragraph (3).

8                             (4)(A) Part VIII of subchapter B of chapter 1  
9                             of such Code is amended by striking section 248  
10                             (and by striking the item relating to such section in  
11                             the table of sections for such part).

12                             (B) Section 56(g)(4)(D)(ii) of such Code is  
13                             amended by striking “Sections 173 and 248” and  
14                             inserting “Section 173”.

15                             (C) Section 170(b)(2)(C)(ii) of such Code is  
16                             amended by striking “(except section 248)”.

17                             (D) Section 312(n)(3) of such Code is amended  
18                             by striking “Sections 173 and 248” and inserting  
19                             “Section 173”.

20                             (E) Section 535(b)(3) of such Code is amended  
21                             by striking “(except section 248)”.

22                             (F) Section 545(b)(3) of such Code is amended  
23                             by striking “(except section 248)”.

24                             (G) Section 834(c)(7) of such Code is amended  
25                             by striking “(except section 248)”.

1                   (H) Section 852(b)(2)(C) of such Code is  
2 amended by striking “(except section 248)”.  
3                   (I) Section 857(b)(2)(A) of such Code is  
4 amended by striking “(except section 248)”.  
5                   (J) Section 1363(b) of such Code is amended  
6 by inserting “and” at the end of paragraph (2), by  
7 striking paragraph (3), and by redesignating para-  
8 graph (4) as paragraph (3).  
9                   (K) Section 1375(b)(1)(B)(i) of such Code is  
10 amended by striking “(other than the deduction al-  
11 lowed by section 248, relating to organization ex-  
12 penditures)”.  
13                  (5) Part I of subchapter K of chapter 1 of such  
14 Code is amended by striking section 709 (and by  
15 striking the item relating to such section in the table  
16 of sections for such part).  
17                  (6) The heading of section 195 of such Code  
18 (and the item relating to such section in the table  
19 of sections for part VI of subchapter B of chapter  
20 1 of such Code) are each amended by inserting “and  
21 organizational” after “Start-up”.  
22                  (f) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to expenses paid or incurred in  
24 taxable years beginning after December 31, 2015.

